

Lien Solutions

The Importance of Holistic and Proactive Lien Management: City National Bank and Lien Solutions



As a lender to customers around the country, City National Bank (“CNB”) understands the importance of holistic and proactive lien management – and Lien Solutions is proud to be working with the bank in continually perfecting the process of lien perfection.

Lien Solutions works with CNB’s Sheira Smith, a collateral manager CNB for the last 25 years, during which time she has experienced firsthand the remarkable transition from manual to digital handling of UCCs. She has also witnessed the growing importance of a more comprehensive, automated and active approach to lien management. When Smith began, the whole process of perfection was paper-based. Forms would be filled out and sent to the relevant jurisdiction. Smith recalls how much paperwork was involved and the time-consuming process of sending documents by mail. And even then, she notes that with requirements varying by jurisdiction and room for human error, “it was hit or miss whether they got recorded or not.”

Clients like CNB and Smith know that effective lien management has impacts on an organization at many levels. It’s a core business issue for mitigating risk to secured assets and for remaining compliant with both internal and external regulations. It also has implications for effective operations: A centrally coordinated lien management system can ensure visibility across a portfolio.

In 2010, there were a total of
1.6M UCC-1 Filings, of which
8% (124K) lapsed.



CONTEXT

Continually perfecting lien perfection

As Smith reflects, “there was a time when the servicing of loans was very fragmented.” But with the evolution of the industry, the advance of automation technologies, and the support from providers like Lien Solutions, the landscape is very different today. Smith highlights the importance of having a single touchpoint for managing a large portfolio of liens: “I don’t have to have people in 20 locations monitoring, I can do it in one location and have just one person managing it.” This highly integrated approach to lien management is the

result of a close working relationship between CNB and Lien Solutions – one where insights and innovations can be readily shared and actively applied.



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CHALLENGE

The need for a responsive service provider and an integrated approach

When CNB initially migrated away from paper about ten years ago, the bank used another lien services provider. But with the scale and complexity of the transition and all the details that needed to be addressed, Smith realized that her team

simply wasn’t getting the level of support and responsiveness that they needed. It was hard to get in touch with the rep, answers were slow in coming and CNB wasn’t being kept abreast of the many critical changes happening in the industry.

How much is too much to lose if a UCC inadvertently lapses?

**\$500,000...
\$1 million?**



Would it surprise you to hear that a prominent global bank recently

lost \$1.5 billion due to a mishandled filing?

This stuff happens more often than you realize.

We understand a typical bank of your size is not likely to incur that much risk with a UCC. But how much risk is too much?

SOLUTION

Multiple solutions that work together as one

Smith led the charge to find a different and more responsive provider, a challenge that brought her to Lien Solutions. The business relationship with CNB has been an enriching one for both sides. For CNB, it meant not only getting the kind of customer care they were looking for, but also the full spectrum of services needed for comprehensive lien portfolio management. For Lien Solutions, it meant gaining a client ready with the input and insight to help continually refine a whole suite of services and how they work best together.

Monitoring

At the core of the relationship between CNB and Lien Solutions, iLien's monitoring functionality has been fundamental to Smith's team. For example, the stipulation that an entity name in a UCC filing must be kept current has created an extra burden and degree of risk for the organization – if the name isn't right, CNB loses its ability to collect on a collateralized asset. So, CNB uses iLien Monitoring alerts to keep CNB aware of business entity and UCC status changes.

As Smith says, all of this “keeps us ahead of the game so we can be on the same page and protect

our ability to collect if a loan goes south.” Smith notes that her operation has been transformed by centralizing monitoring in her shop and having a single source like iLien to support it. “I don't have to be running to every person in our organization asking what happened to our liens, I now have the control and can get everything from one location. Your system at our fingertips makes that possible.”

Auto Continuation

As part of making sure that there are no loose ends in their lien portfolio, CNB uses iLien's Auto Continuation to catch items that they may have missed. For example, sometimes UCCs are created by other groups in the organization – or even by outside counsel. There are times when a UCC is filed after the loan was booked and the way it's entered into the mainframe system bypasses iLien. Auto Continuation catches these loans in time for them to be continued.

Premium Reporting

Further building on the interconnected approach to portfolio management, Smith sees our iLien Premium Reporting tool as an augmented way of monitoring. She uses our reporting to pull up her pending expirations, and specifically to review the filings her team is allowing to lapse. The new Premium Reporting tool enables CNB to set up custom reports that work for their organization. But the impacts of reporting go beyond the tracking of liens themselves. Smith notes that she uses Premium Reporting to inform her internal SLAs: By seeing how many filings one of her processors is completing, she is able to monitor production.

**25% of borrowers
have at least 2 variations
on their addresses in their
public filings**



RESULTS

Benefits build on each other

Far from a disparate menu of services, Smith sees Lien Solutions' Manage offerings as an integrated way to maintain control over CNB's portfolio of liens. Through the use of Monitoring and Alerts, Automation, Reporting and more, Smith and her teams are able to maintain broad awareness of what's happening – or will happen – across the portfolio, and take action as needed.

What's more, with Lien Solutions, this "help" extends beyond the immediate needs of lien servicing. With such a large footprint and long experience in the industry, we're finely attuned to changes that are shaping the marketplace and that can impact clients like CNB. Smith greatly values that we're continually "sending updates and webinars and thought leadership content to keep us at the forefront of change." It's the kind of value-add that was lacking in relationships with previous providers.

When describing the relationship with Lien Solutions, Smith says:

“ I get more than a collection of services, I get a comprehensive approach to lien management that helps mitigate risk and enhance efficiency. But even more than that, I get to participate in continual improvement of current services while helping to develop the tools that will be needed tomorrow. That kind of collaboration translates into greater control of my portfolio, which in turn means greater confidence in the results that we're able to produce, both for CNB and our clients.”

About Lien Solutions

Wolters Kluwer's Lien Solutions has 30+ years of experience providing comprehensive lien solutions, recording services and life-of-loan services to lenders nationwide. Lenders look to us and our industry-leading enterprise every day for innovative solutions. We help lenders mitigate risk, save time and decrease complexity. Through our web-based application, iLien, clients can search public records, file/record UCCs, mortgage liens and motor vehicle titles, and maintain perfected liens and titles as needed for the duration of a loan.

Our industry knowledge and responsive service sets us apart from others in the field. Combined with our web-based workflow solutions, we help lenders simplify their UCC, real estate and motor vehicle processes. With Lien Solutions on their side, clients can feel secure in their lending decisions and confident their lien positions are protected throughout the lifecycle of each and every loan.

